



DoD Releases Selected Acquisition Reports

The Department of Defense has released details on major defense acquisition program cost and schedule changes since the September 2001 reporting period. This information is based on the Selected Acquisition Reports (SARs) submitted to the Congress for the Dec. 31, 2001 reporting period.

SARs summarize the latest estimates of cost, schedule, and technical status. These reports are prepared annually in conjunction with the President's budget. Subsequent quarterly exception reports are required only for those programs experiencing unit cost increases of at least 15 percent or schedule delays of at least six months. Quarterly SARs are also submitted for initial reports, final reports, and for programs that are rebaselined at major milestone decisions.

The total program cost estimates provided in the SARs include research and development, procurement, military construction, and acquisition-related operation and maintenance (except for pre-Milestone B programs, which are limited to development costs pursuant to 10 USC §2432). Total program costs reflect actual costs to date as well as future anticipated costs. All estimates include anticipated inflation allowances.

The current estimate of program acquisition costs for programs covered by SARs for the prior reporting period (Sept. 2001) was \$790,402.3 million. After subtracting the costs for final reports and adding the costs for five new programs—Active Electronically Scanned Array (AESA), Global Hawk, Joint Simulation System (JSIMS), T-AKE, and Wideband Gapfiller—in September 2001, the adjusted current estimate of program acquisition costs was \$796,795.5 million. There was a net cost increase of \$133,327.7 million or 18.2 percent during the current reporting period (December 2001). However, since 56 programs of the 70 programs reported here did not update their outyear budget streams since the December 1999 reporting period, most of this growth has oc-

curred over a two-year period vice a three-month period. As in past net cost increase calculations, funds have been excluded for programs submitting new ("initial") SARs. For this SAR submission cycle, these programs are C-130 Avionics Modernization Program (AMP), C-5 Reliability [Enhancement] and Re-Engining Program (RERP), Ballistic Missile Defense System (BMDS), and Blackhawk Upgrade (UH-60M).

This increase was due primarily to higher program estimates (+\$56.1 billion), additional engineering changes (hardware/software) (+\$19.2 billion), and a net stretch-out of the development and procurement schedules (+\$8.2 billion). There was also a net increase in the planned quantities to be purchased (+\$42.8 billion) along with the associated support costs (+\$11.8 billion). These increases were partially offset by the application of lower escalation indices (-\$4.9 billion).

For more details on cost changes and other SAR information, see the following Web links:

Summary Table

<http://www.defenselink.mil/news/Apr2002/d20020411summary.pdf>

Summary Explanations of Significant SAR Cost Changes

<http://www.defenselink.mil/news/Apr2002/d20020411changes.pdf>

SAR Program Acquisition Cost Summary in Dollars

<http://www.defenselink.mil/news/Apr2002/d20020411costs.pdf>

Acronyms

<http://www.defenselink.mil/news/Dec2001/d20011207acronym.pdf>

Editor's Note: This information is in the public domain at <http://www.defenselink.mil/news>.